



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

February 2003

Dear Nursing Facility Provider:

This letter provides information from the Michigan Department of Community Health (MDCH) regarding submission of Medicaid claims. Please share it with your billing staff or vendor.

Since the January 1st conversion to the national standard claim formats and code sets, the Department has been closely monitoring the processing of nursing facility claims. This has allowed us to identify problems quickly, and to work with our systems staff, providers, and billing agents to resolve claim submission, processing, and cash-flow problems. We appreciate your cooperation and patience as we strive to minimize the impact of this conversion on your facility.

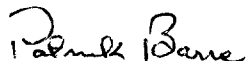
The MDCH claims processing system problems that resulted in erroneously paid and rejected claims have all been addressed. Providers affected by these problems have been contacted and instructed what, if any, action they must initiate. While the system is now processing correctly, we continue to receive a large volume of claims that have been completed incorrectly. The following is a list of common claim completion problems identified:

- ❖ A patient-pay amount must be reported if a beneficiary is responsible for making payment. Remember to only report the appropriate patient-pay amount **once** for each month.
 - If you split bill, you are responsible for determining the correct patient-pay amount for the second bill.
- ❖ Replacement claims (type of bill 217) are to be used **only** when "replacing" claims that were billed and paid incorrectly. Report the CRN number of the bill to be replaced.
- ❖ Void/cancel claims (type of bill 218) are to be used only when "voiding" a claim that should not have been paid by Medicaid. Report the CRN number of the bill to void/cancel.
- ❖ Be sure to verify that the claim line dates of service and quantity match the number of "from and through" days and do not exceed the total number of days billable for that period.
- ❖ Use the correct attending physician ID number for each claim.
 - To verify a physician ID number, visit the MDCH website: www.michigan.gov/mdch, click on Providers, Information for Medicaid Providers, Referring Provider List.
- ❖ Verify that your diagnosis codes are correct by using the ICD-9-CM codebook.
- ❖ To verify receipt of your electronic file, refer to the Electronic Submission Manual or visit the MDCH website for directions for "how to read" your 997 Acknowledgement Report.

If you would like to request a copy of the Nursing Facility Billing Information notebook or are interested in attending one of the remaining claim resolutions sessions (February 20 or February 27), please call Marcia Lynch at (517) 324-7379. Claim resolution sessions provide you the opportunity to work with MDCH staff to resolve paper or electronic claim-related problems or questions. You must bring all pertinent documentation related to your rejected or pending claims with which you need assistance. You may also call the Provider Inquiry Line at 1-800-292-2550 with any nursing facility billing-related questions. They will assist you by directing your call to the appropriate Department staff. You may also e-mail questions to ProviderSupport@michigan.gov.

If you did not submit electronic test claims, you are encouraged to contact the Automated Billing Unit at AutomatedBilling@michigan.gov . If you have questions related to test claims previously submitted, contact Vicki Huff at (517) 241-8626, or e-mail HuffV@michigan.gov.

Cordially,

A handwritten signature in cursive script that reads "Patrick Barrie".

Patrick Barrie, Deputy Director for
Health Programs Administration